

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4094-01  
Bill No.: Perfected HB 1592  
Subject: Taxation and Revenue - General and Income  
Type: Original  
Date: March 13, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
General Revenue	\$0	(\$83,662)	(\$25,950)
Workers Memorial Fund	\$0	Unknown	Unknown
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>\$0</b>	<b>UNKNOWN to (\$83,662)</b>	<b>UNKNOWN to (\$25,950)</b>

\*Could exceed \$100,000 annually.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Department of Revenue (DOR)** state this legislation creates the Workers Memorial Fund. Individual and corporate taxpayers may designate a minimum of two dollars on a single return and four dollars on a combined return to the trust fund. The DOR will transfer at least monthly all the contributions made to the state treasurer for deposit to the fund, less any amount to cover the cost of collection by the DOR.

DOR will have to add another line to the individual income tax return and the corporate income tax form to allow for the trust fund amount. The additional line on the returns will create additional key entry and DOR will need 4 Tax Season Temporaries to handle the additional fields. The MITS, MINITS and the PC applications for both corporate and individual returns will need to be enhanced and tested for the new trust fund. DOR anticipates that 1,730 hours of programming and testing will be needed at a cost of \$57,712. DOR did not provide an estimate of the revenue impact of this legislation.

Officials from the **Office of the State Treasurer (STO)** assume this proposal would not fiscally impact their agency.

According to the Missouri Department of Revenue's Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2000, there were 3,413,134 individual income tax returns filed with 1,723,138 returns claiming a refund for the 2000 tax year. Also, there were 208,238 corporation returns filed with 15,031 returns claiming a refund for tax year 2000. Each of these taxpayer, as well as any taxpayer that wants to add a contribution to the tax amount they owe, would be eligible under this proposal to contribute \$2 or more to the Workers Memorial Fund. Therefore, **Oversight** assumes the revenue impact for this legislation would be unknown, could exceed \$100,000, annually.

**This proposal would result in an increase in Total State Revenues.**

<u>FISCAL IMPACT - State Government</u>	FY 2003 (6 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Income - General Revenue Fund</u>			
Workers Memorial Fund contributions*	\$0	Unknown	Unknown

<u>FISCAL IMPACT - State Government</u>	FY 2003 (6 Mo.)	FY 2004	FY 2005
<u>Cost</u> - Department of Revenue			
Personal Service (4 temp.)	\$0	(\$25,950)	(\$25,950)
Fringe Benefits	\$0	\$0	\$0
Programming costs	<u>\$0</u>	<u>(\$57,712)</u>	<u>\$0</u>
Total Costs - DOR	\$0	(\$83,662)	(\$25,950)
 <u>Transfer Out</u> - Workers Memorial Fund			
Contributions	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	 <b><u>\$0</u></b>	 <b><u>(\$83,662)</u></b>	 <b><u>(\$25,950)</u></b>
 <b>WORKERS MEMORIAL FUND</b>			
 <u>Transfer In</u> - General Revenue Fund			
Contributions	<u>\$0</u>	<u>Unknown</u>	<u>Unknown</u>
 <b>ESTIMATED NET EFFECT ON WORKERS MEMORIAL FUND*</b>	 <b><u>\$0</u></b>	 <b><u>UNKNOWN</u></b>	 <b><u>UNKNOWN</u></b>

\*Could exceed \$100,000, annually

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (6 Mo.)	FY 2004	FY 2005
	\$0	\$0	\$0

#### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

#### DESCRIPTION

This bill allows individuals or corporations entitled to a state tax refund to designate that a portion of their refund be contributed to the Workers Memorial Fund. If not entitled to a tax refund, individuals or corporations may make a contribution along with their payment or send the contribution in separately.


The refund check off applies to tax year 2003 and shall expire on January 1, 2008.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Revenue  
Office of the State Treasurer

Mickey Wilson , CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Acting Director  
March 13, 2002